

## Message Text

LIMITED OFFICIAL USE

PAGE 01 ISTANB 01621 311328Z  
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 DOE-15 H-01 INR-10 INT-05 L-03  
NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07 SP-02  
SS-15 STR-07 TRSE-00 ACDA-12 /128 W  
-----021471 312200Z /62

R 311244Z MAY 78  
FM AMCONSUL ISTANBUL  
TO SECSTATE WASHDC 9996  
AMEMBASSY ANKARA  
INFO AMCONSUL ADANA  
AMCONSUL IZMIR

LIMITED OFFICIAL USE ISTANBUL 1621

E.O. 11652: N/A  
TAGS: BDIS, ENRG, EFIN, TU  
SUBJ: MOBIL OIL PROBLEMS IN TURKEY

REF: ISTANBUL 1553

1. ON MAY 29 MOBIL RECEIVED FROM THE GENERAL DIRECTORATE OF PETROLEUM AFFAIRS A NOTIFICATION OF MINISTERIAL DECISION SIGNED BY MINISTER OF ENERGY DENIZ BAYKAL DATED MAY 22 IN ANSWER TO MOBIL'S REQUEST THAT NOTICE OF REQUIREMENT FOR FULL CAPACITY PRODUCTION OF ATAS REFINERY UNDER THREAT OF CANCELLING REFINERY LICENSE BE LIFTED. A TRANSLATION OF THE DECISION, WHICH REJECTS MOBIL'S APPEAL, FOLLOWS:

2. QUOTE MINISTERIAL DECISION: OBJECTOR: MOBIL REFINING COMPANY, INC.; SUBJECT OF OBJECTION: DECISION REF. 60/01241 OF FEBRUARY 24, 1978 OF GDPA.; PETROLEUM RIGHT RELATED TO THE OBJECTION: REFINING CERTIFICATE CASE NO. BT/ATS/506.

I. FACTS AND OBJECTION: GDPA SENT A NOTICE TO THE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ISTANB 01621 311328Z

OBJECTOR COMPANY THROUGH THE LATTER'S REPRESENTATIVE AND ASKED THAT THE REFINERY IN WHICH IT HAD AN INTEREST SHOULD BE OPERATED AT FULL CAPACITY WITHIN 90 DAYS AND ADVISED THAT OTHERWISE A REQUEST WOULD BE FILED WITH THE MINISTER OF ENERGY FOR ANNULING THE WHOLE OF THE REFINERY CERTIFICATE. THE COMPANY OBJECTS TO THE ABOVE MENTIONED NOTICE AND STATING THAT FAILURE TO OPERATE THE REFINERY IS NOT DUE

TO THEIR OWN FAULT BUT DUE TO THE FACT THAT THE GOVERNMENT HAS FAILED TO PROVIDE THE REQUIRED FOREIGN EXCHANGE, THE REFINERY MARGINS HAVE NOT BEEN SPECIFIED AND THE PROBLEMS RELATED TO EXCHANGE RATES AND DISCOUNT CALCULATIONS HAVE NOT BEEN SOLVED.

II. GROUNDS AND DECISION: THE CERTIFICATE FOR ANADOLU REFINERY IN WHICH THE OBJECTOR COMPANY ALSO HAS AN INTEREST HAS PROVIDED THE COMPANIES, WITH THE RIGHT TO PROCESS CRUDE OIL IN TURKEY FOR A PERIOD OF 80 YEARS. IN GRANTING THIS RIGHT, THE FOLLOWING PROVISION WAS INCLUDED IN THE CERTIFICATE AS CONDITION NO. 1: "ONE OF THE MAIN OBJECTS OF THE REFINERY IS TO PROVIDE TURKISH CONSUMERS CONTINUOUSLY WITH PETROLEUM PRODUCTS AT QUANTITIES AND QUALITIES TO MEET THE REQUIREMENTS." THE PURPOSE OF THE ABOVE MENTIONED PROVISION WAS TO BENEFIT FROM THE WORLDWIDE SOURCES OF SUPPLY AND RESOURCES OF THE MAJOR COMPANIES. WHEREAS, IT HAS BEEN NOTICED THAT THE COMPANIES, WITHOUT TAKING INTO CONSIDERATION THE CHARACTER AND CONTINUOUS NATURE OF THEIR RIGHT COVERING 80 YEARS, HAVE BEEN INTERRUPTING THE FULFILMENT OF THEIR RESPONSIBILITIES AND VIOLATING THE PETROLEUM LAW BY STATING FROM TIME TO TIME PRICE DISPUTES AND, LATELY, THE FOREIGN EXCHANGE SHORTAGE AND OTHER TEMPORARY PROBLEMS. ACCORDING TO THE PETROLEUM LAW AND THE CONDITION IN THE CERTIFICATE, IT IS IMPOSSIBLE TO RECONCILE THE FAILURE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ISTANB 01621 311328Z

TO OPERATE THE REFINERY AT FULL CAPACITY WITH THE PRINCIPLES OF "DUE DILIGENCE". ON THE OTHER HAND, IT HAS BEEN ESTABLISHED THAT THE REFINERY HAS BEEN OPERATED AT LESS THAN FULL CAPACITY WITH A SHORTAGE CORRESPONDING TO THE SHARE OF MARMARA PETROL SANAYII ANONIM SIRKETI FOR A LONG TIME, AND WITH A SHORTAGE CORRESPONDING TO THE WHOLE OF IMPORTED CRUDE OIL FOR THE PAST THREE MONTHS.

ACCORDING TO ARTICLE 62/2-A OF THE PETROLEUM REGULATIONS, THE SHAREHOLDERS OF THE CERTIFICATE SHOULD BE HELD JOINTLY LIABLE FOR VIOLATION OF ARTICLE 85 OF THE PETROLEUM LAW ".....IRRESPECTIVE OF ANY AGREEMENTS AMONG THEM AND OF WHETHER THEY PLANED A PART IN THE VIOLATION OR NOT..." FOR THESE REASONS, IT WAS DECIDED THAT THE OBJECTION DATED MARCH 23, 1978 FILED BY MOBIL REFINING COMPANY INC. AGAINST THE NOTICE REF. 60/1241, DATED FEBRUARY 24, 1978 OF THE GDPA - WHICH WE FIND TO BE IN ACCORDANCE WITH ARTICLES 85 AND 132/3 OF THE PETROLEUM LAW - SHOULD BE REJECTED ON BASIS OF ARTICLE 30 OF THE PETROLEUM LAW AND THAT THIS DECISION SHOULD BE HANDED TO THE GDPA TOGETHER WITH THE FILE OF OBJECTION TO BE NOTIFIED TO THE OBJECTOR WITHIN 7 DAYS. DENIZ BAYKAL, MINISTER OF ENERGY AND NATURAL RESOURCES.

END QUOTE  
HOUGHTON

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** OILS, PETROLEUM, REFINERIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ISTANB01621  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780228-0116  
**Format:** TEL  
**From:** ISTANBUL  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t1978054/aaaaaczi.tel  
**Line Count:** 118  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** c9358c9a-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 ISTANBUL 1553  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2635975  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MOBIL OIL PROBLEMS IN TURKEY  
**TAGS:** BDIS, ENRG, EFIN, TU, MOBILE OIL COMPANY  
**To:** STATE ANKARA  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/c9358c9a-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014